



SENATE FISCAL OFFICE  
ISSUE BRIEF

Medicaid Non-Emergency Ambulance Rates

AUGUST 30, 2019

On August 14, 2019, the State announced that Medicaid rates for non-emergency ambulance services were increased to match the rates paid in Massachusetts for the same services. This change was implemented through a contract amendment with the State’s transportation broker, Medical Transportation Management (MTM), which was executed on August 9, 2019. Pursuant to the amendment, the rate change was effective retroactively to July 1, 2019. This change will increase general revenue expenditures by approximately \$850,000 (\$2.4 million all funds) relative to the FY2020 Enacted Budget.

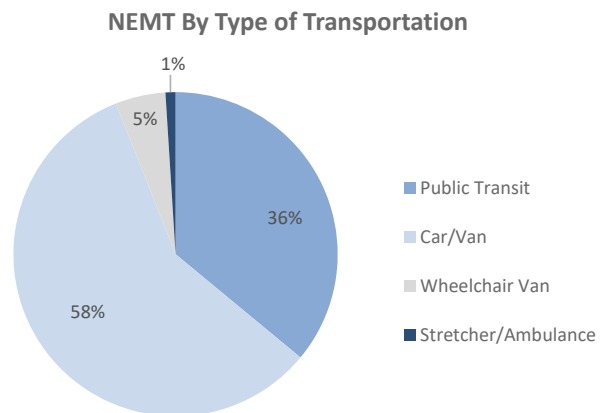
BACKGROUND

The Code of Federal Regulations requires that state Medicaid agencies provide transportation for beneficiaries to get to and from non-emergency health care appointments, known as Non-Emergency Medical Transportation (NEMT). NEMT removes the barriers to health care access typically experienced by the elderly, disabled, and low-income populations covered by Medicaid. It is also significantly more cost effective to provide transportation to and from preventive care services than to wait for medical emergencies to occur. States are flexible in how they may operate their NEMT programs. In Rhode Island, NEMT services are coordinated and managed through a third party, known as a transportation broker. As of January 1, 2019, and through June 30, 2022, Rhode Island contracts with Missouri-based Medical Transportation Management (MTM) as its transportation broker.

The Rhode Island NEMT program provides transportation for RI Medicaid members to and from *medically necessary* and *non-emergency* medical services when the individual has no other means of transportation, such as a family member or friend. *Medically necessary* services include services for the prevention, diagnosis, cure, or treatment of a health-related condition. This includes transportation to and from physician and specialist appointments and follow-ups, substance abuse treatment programs, and kidney dialysis and cancer centers within the State as well as certain “border communities” that are along the State’s borders with Massachusetts and Connecticut. Emergency services, or services furnished when the medical needs of a beneficiary are immediate and due to severe symptoms (requiring unscheduled transport to a hospital or psychiatric facility), are covered separately and are not subject to the rate changes described in this analysis.

The State’s brokerage contract requires that MTM secure the least expensive type of transportation that meets the physical and medical circumstances of a qualified recipient. As shown in the chart to the right, the majority of rides (94.0 percent) are provided by public transit or a standard car/van. Modes of non-emergency transportation include:

- **Public Transit (RIPTA):** For members who can walk to/from a bus stop, can understand common signs and directions, who live within a half mile of a bus stop, and whose appointments are also located within a half



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mile of a bus stop. If a beneficiary requires transportation besides mass transit, a written attestation from a physician or clinician is required.

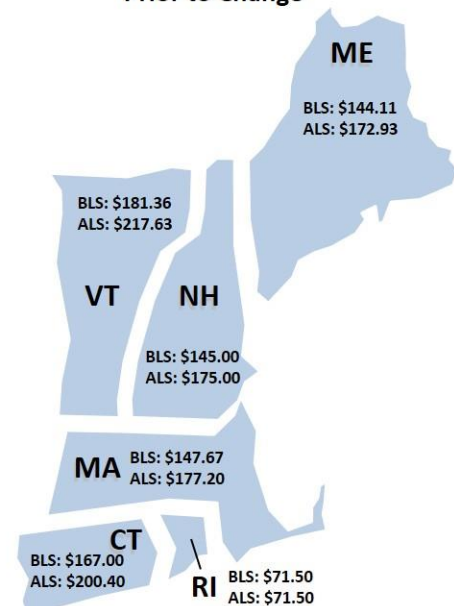
- **Car/Minivan:** For members who cannot walk or live more than a half mile from a bus stop. This type of transportation includes taxi services and ride share programs such as Uber or Lyft.
- **Wheelchair Van:** For beneficiaries who are permanently confined to a wheelchair or ADA-compliant scooter and cannot transfer out of it. These beneficiaries require transport in a lift-equipped van with the assistance of a trained professional.
- **Stretcher Van:** For beneficiaries who are confined to a bed, cannot walk, and cannot sit in a wheelchair but *do not* require medical attention during transport.
- **Ambulance:** For members who meet the stretcher requirement but *do* require medical attention during transport. Due to the cost-effectiveness requirement, ambulance services for NEMT are the last resort. Less than 1.0 percent of all non-emergency transportation occurs in an ambulance.
  - **Basic Life Support (BLS):** Ambulance transportation where the patient does not require an advanced level of treatment. The majority of non-emergent ambulance services are provided at this level.
  - **Advanced Life Support (ALS):** Ambulance transportation in which the patient's care requires a higher level of training, such as a heart monitor or IV medication.

### RATE CHANGES AND REGIONAL COMPARISON

On June 20, 2019, the Rhode Island Medicaid program was notified by the State's four non-emergency ambulance providers that they would stop providing services to Medicaid beneficiaries unless the State addressed specific ambulance reimbursement rate issues. These providers—Access/Med Tech Ambulance, Professional Ambulance, Alert Ambulance, and Coastline EMS—specifically requested that both BLS and ALS ambulance rates be increased to match Medicaid rates in Massachusetts, where three of the four companies also operate. According to these providers, before the rates were changed on July 1, 2019, non-emergency ambulance rates had not been increased in Rhode Island in over 25 years; rates for both types of service had remained stagnant at \$71.50 per one-way trip.

According to the 2019 American Ambulance Association (AAA) State Medicaid Rate Survey, Rhode Island's rates (prior to the increase) were by far the lowest in New England and among the lowest in the nation. In order to avoid the access crisis that would have ensued if these companies ceased non-emergency ambulance services, the State increased rates to match Massachusetts. The contract amendment executed with MTM on August 9, 2019, specifies that MTM must pay transportation companies \$147.67 for BLS ambulance services (a 111.1 percent increase) and \$177.20 for ALS ambulance services (a 153.3 percent increase). Rhode Island's reimbursement rates are now the median for New England.

NEMT Ambulance Rates (per trip)  
Prior to Change



Source: 2019 AAA State Medicaid Rate Survey

### FISCAL IMPACT

Because services are coordinated through a transportation broker, all types of non-emergency transportation are paid directly by MTM to the applicable transportation provider. The State provides capitation payments to MTM, or a fixed rate per enrollee per month, to cover the transportation benefit for all Medicaid

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beneficiaries. The Medicaid program makes the payment regardless of whether a recipient utilizes the benefit in a given month. This arrangement is comparable to traditional health insurance, whereby enrollees pay a fixed rate (whether or not they utilize their benefit) in order to receive coverage when they need it.

However, in response to the new ambulance rates laid out in the contract, the State renegotiated its capitation rates accordingly. Due to the fact that ambulance transport represents a small portion of all NEMT trips, these increases translate to a 9.0 percent composite rate increase. Based on an estimate of just under 300,000 Medicaid members per month and a historical general revenue share of 36.0 percent, these renegotiated rates will increase State expenditures by approximately \$856,968 (\$2.4 million all funds) relative to the rates that were assumed in the FY2020 Budget as Enacted.

FY2020 Fiscal Impact			
	Enacted Capitation	Current Capitation	Change
Children (0-18)	\$1.17	\$1.28	9.4%
Adults (19-64)	\$8.83	\$9.62	8.9%
Elderly (65+)	\$29.48	\$32.13	9.0%
<b>Composite</b>	<b>\$7.41</b>	<b>\$8.08</b>	<b>9.0%</b>
Average Monthly Enrollment	297,794	297,794	-
<b>Total Contract Cost</b>	<b>\$26,483,367</b>	<b>\$28,863,834</b>	<b>\$2,380,466</b>
General Revenue	9,534,012	10,390,980	856,968

**NATIONAL COMPARISON**

The following table is based on the 2019 American Ambulance Association (AAA) State Medicaid Rate Survey. The data reflects Rhode Island's ambulance rates prior to the rate increase, when Rhode Island ranked 41<sup>st</sup> and 42<sup>nd</sup> for BLS and ALS rates, respectively, out of 47 reporting states. Rhode Island is now tied with Massachusetts, ranking 20<sup>th</sup> and 25<sup>th</sup> for BLS and ALS rates, respectively.

Non-Emergency Ambulance Rates by State - Prior to 7/1/2019 Rate Increase									
State	BLS Rate	Rank	ALS Rate	Rank	State	BLS Rate	Rank	ALS Rate	Rank
Alabama	\$70.00	43	\$165.00	32	Montana	\$135.62	27	\$162.74	33
Alaska	\$233.97	4	\$280.76	6	Nebraska	\$138.93	25	\$347.34	4
Arizona	\$315.85	2	\$408.07	2	Nevada	\$171.71	14	\$219.73	15
Arkansas	\$183.86	11	\$240.46	13	New Hampshire	\$145.00	21	\$175.00	26
California	\$107.16	34	\$107.16	38	New Jersey	\$58.00	45	\$58.00	45
Colorado	\$116.25	31	\$169.65	29	New Mexico	\$139.33	24	\$139.33	36
Connecticut	\$167.00	15	\$200.40	19	New York*	\$164.70	17	\$217.24	17
Delaware	\$35.00	47	\$35.00	47	North Carolina	\$70.75	42	\$70.75	43
Florida	\$136.00	26	\$190.00	22	North Dakota	\$279.44	3	\$335.33	5
Georgia	\$159.82	18	\$255.72	9	Ohio	\$82.14	40	\$85.87	41
Hawaii	\$204.74	8	\$245.70	11	Oklahoma	\$178.46	13	\$214.15	18
Idaho	\$202.12	9	\$242.55	12	Oregon	\$144.91	22	\$139.87	35
Illinois*	\$116.02	32	\$195.71	21	Pennsylvania	\$120.00	30	\$200.00	20
Indiana	\$95.84	36	\$95.84	40	<b>Rhode Island</b>	<b>\$71.50</b>	<b>41</b>	<b>\$71.50</b>	<b>42</b>
Iowa	\$84.67	39	\$101.60	39	South Carolina	\$126.82	28	\$158.96	34
Kansas	\$40.00	46	\$40.00	46	South Dakota	\$206.57	7	\$250.97	10
Kentucky	\$60.00	44	\$60.00	44	Tennessee	n/a	n/a	n/a	n/a
Louisiana*	\$165.96	16	\$165.96	31	Texas	\$186.00	10	\$186.00	24
Maine	\$144.11	23	\$172.93	27	Utah	\$772.00	1	\$772.00	1
Maryland	n/a	n/a	n/a	n/a	Vermont	\$181.36	12	\$217.63	16
Massachusetts	\$147.67	20	\$177.20	25	Virginia	n/a	n/a	n/a	n/a
Michigan	\$126.38	29	\$230.26	14	Washington	\$115.34	33	\$168.43	30
Minnesota	\$229.81	6	\$275.79	8	West Virginia	\$90.00	38	\$377.50	3
Mississippi	\$233.38	5	\$277.14	7	Wisconsin	\$94.90	37	\$113.88	37
Missouri	\$104.06	35	\$169.71	28	Wyoming	\$157.22	19	\$188.66	23

\*Illinois, Louisiana, and New York set their rates either by region or by county. Table reflects a statewide average.

Source: 2019 AAA State Medicaid Rate Survey